



## DELAWARE NUTRIENT MANAGEMENT

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### The Delaware Nutrient Management Commission Minutes of the Budget Subcommittee Meeting Held December 19, 2006

#### In Attendance:

<i>Committee Members Present</i>	<i>Others Present</i>
Connie Larimore, Chair	Bob Coleman
Robert Baldwin	Pat Diehl
Ken Blessing	Tim Garrahan
Bud O'Neill	Steve Hollenbeck
Richard Sterling	Paul Sample
<i>Commission Members Absent</i>	Bill Vanderwende
Al Johnson	Chip West
<i>Ex-officios Present</i>	
William Rohrer	

*This meeting was properly notified and posted as required by law.*

#### Call to Order/Welcome:

Chairman C. Larimore called the meeting to order at 5:00 p.m. and welcomed everyone in attendance.

#### Approval of Minutes:

As there was no quorum for the August 8 meeting, there were no prior minutes to approve.

#### Discussion and Action Items:

*Discuss Relocation Funding, and Review and Discuss FY08 Budget:*

B. Rohrer pointed out that all three funded relocation categories: farm to farm; farm to farm off peninsula; and farm to alternative use; are eligible for funding on a first-come, first-served basis. C. Larimore stated that the funded relocation program was developed to help farmers, but some companies have greater benefit than the farmers do.

S. Hollenbeck gave a synopsis of his relocation handout. He explained that in 2006, approximately 17,394 tons of excess litter have been relocated within the Delmarva Peninsula; 15,000 tons have been relocated outside of the Delmarva Peninsula (to Pennsylvania mushroom growers); and that 12,000 tons have been used for alternative usage projects.

C. Larimore stated that the grant (Perdue) was a promise made by the Governor, and that Perdue had to go to the Delaware Economic Development Office (DEDO) to obtain funding. B. O'Neill stated that 45% of funding goes to recycling. He is concerned about the number of farms that would be affected with decreased funding.

S. Hollenbeck stated that 2007 would be a big year for land-to-land application, taking a long time to fulfill. He explained that 21,500 tons have been approved to remain on the peninsula, and 6,400 tons have been approved

for transport from the peninsula for alternative use. He also stated that there is a 50% (of total funding) cap on any one entity. B. O'Neill asked about profit levels, and wanted to know how many tons are being moved from farm to farm and off of the peninsula. B. Rohrer explained that out of 18 companies funded, there are 3 or 4 that use the most funding, and S. Hollenbeck provided the following:

Bowles transported 11,500 tons in 2006 and received approximately \$208,000,  
Perdue transported 11,670 tons in 2006 and received approximately \$125,400,  
Cypress Turf Farms transported 2,400 tons and received approximately \$40,000

B. Rohrer stated that in the past, there has not been reimbursement for pelletized litter. 2007 is the first year reimbursement is being offered from farm to plant to marketplace. C. West asked if that is reflected in the budget. B. Rohrer answered that \$350,000 has been transferred for this year. The DNMC will request help from the 3 poultry companies and the NRCS.

There was a short discussion about the increased operations of the AgriRecycle plant. B. Vanderwende pointed out that the plant could potentially run 24 hours a day, but there is not much demand for the product. K. Blessing stated that he wondered about the increase from the plant, but stated that if there is no demand for product, it doesn't matter.

C. West remembered a conversation about M. Scuse approaching the Governor for funding. B. Rohrer stated that it was mentioned, but that it is not in the Governor's FY08 budget. C. West asked for the amount of the FY08 shortfall. B. Rohrer responded \$400,000. C. Larimore asked how long we are committed to poultry companies. B. Rohrer answered that everything is budget limited, and that we have funding to see us through FY07. C. Larimore stated that she intended to go to the General Assembly only on behalf of the farmers, not poultry companies. B. Rohrer explained that it costs an average of \$14 per ton to move litter, and that is how a shortfall of \$420,000 was reached. He stated that in the past, Perdue was getting \$400,000 from DEDO. C. West asked if they could go back to DEDO for funding. C. Larimore stated that a grant gets you started, that it doesn't last forever. B. Vanderwende said that currently, the product is not in enough demand to make processing profitable. Perdue needs to make \$24 million before they will begin to see profit. He also added that (Perdue) AgriRecycle is the only company putting money into Delaware's litter removal efforts. B. Rohrer offered that another option would be to revisit our rates; \$3.20 per tractor-trailer loaded mile is generous.

C. Larimore stated she is very upset with Perdue, and she would vote to freeze their funding, but she is only one person with one vote. B. Vanderwende said that there should be a limit placed on the brokers and how much they can get. He also pointed out that we can't discriminate between Perdue and other poultry companies. K. Blessing stated that since he has become a Commission member, he has seen two major issues: 1) there is only so much land base – we have more manure than land, 2) According to a report by UD, there has been an increase in the number of chickens produced. What do we do with the manure? He expressed the need to continue funding programs that work. He feels it is wrong to withhold funding to make a stance on a disagreement on an action that should not have happened the way it did.

**C. Larimore adjourned the meeting at 5:40 pm.**

BRR/psd